

**2009**

# Net Income (Loss) Reconciliation For S Corporations With Total Assets of \$10 Million or More

**M-3 (100S)**

Attach to Form 100S.

Corporation name as shown on return.

California corporation number

FEIN

**Part I Financial Information and Net Income (Loss) Reconciliation****1 a** Did the corporation prepare a certified audited non-tax basis income statement for the period ending with or within this taxable year?☐ **Yes.** Skip line 1b and complete lines 2 through 11 with respect to that income statement.☐ **No.** Go to line 1b.**b** Did the corporation prepare a non-tax basis income statement for that period?☐ **Yes.** Complete lines 2 through 11 with respect to that income statement.☐ **No.** Skip lines 2 through 3b and enter the corporation's net income (loss) per its books and records on line 4a.**2** Enter the income statement period: Beginning \_\_\_\_/\_\_\_\_/\_\_\_\_ Ending \_\_\_\_/\_\_\_\_/\_\_\_\_**3 a** Has the corporation's income statement been restated for the income statement period on line 2?☐ **Yes.** (Attach an explanation and the amount of each item restated.)☐ **No.****b** Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2?☐ **Yes.** (Attach an explanation and the amount of each item restated.)☐ **No.****4 a** Worldwide combined net income (loss) from income statement source identified in Part I, line 1 . . . . .**4a****b** Indicate accounting standard used for line 4a (see instructions):**(1)** ☐ GAAP **(2)** ☐ IFRS **(3)** ☐ Tax-basis **(4)** ☐ Other (specify) \_\_\_\_\_**5 a** Net income from nonincludible foreign entities (attach schedule) . . . . .**5a****b** Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) . . . . .**5b****6 a** Net income from nonincludible U.S. entities (attach schedule) . . . . .**6a****b** Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) . . . . .**6b****7 a** Net income (loss) of other foreign disregarded entities (attach schedule) . . . . .**7a****b** Net income (loss) of other U.S. disregarded entities (except qualified subchapter S subsidiaries) . . . . .**7b****c** Net income (loss) of other qualified subchapter S subsidiaries (QSubs) . . . . .**7c****8** Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule)**8****9** Adjustments to reconcile income statement period to taxable year (attach schedule) . . . . .**9****10** Other adjustments to reconcile to amount on line 11 (attach schedule) . . . . .**10****11** Net income (loss) per income statement of includable corporations. Combine line 4 through line 10 . . . . .**11****Note.** Part I, line 11, must equal the amount on Part II, line 26, column (a).**12** Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
<b>a</b> Included on Part I, line 4 . . . . .		
<b>b</b> Removed on Part I, line 5 . . . . .		
<b>c</b> Removed on Part I, line 6 . . . . .		
<b>d</b> Included on Part I, line 7 . . . . .		

**Part II Reconciliation of Net Income (Loss) per Income Statement of the Corporation with Total Income (Loss) per Return**

Income (Loss) Items		(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Amounts from Federal Schedule M-3 (1120S) Column (d)	(e) California Adjustments	(f) Amounts using California Law
1 Income (loss) from equity method foreign corporations. . . . .	1						
2 Gross foreign dividends not previously taxed . . . . .	2						
3 a Subpart F, QEF, and similar income inclusions . . . . .	3a						
b Income for California Purpose from Foreign Corporations . . . . .	3b						
4 Gross Foreign distributions previously taxed . . . . .	4						
5 Income (loss) from equity method U.S. Corporations. . . . .	5						
6 U.S. dividends not eliminated in tax consolidation . . . . .	6						
7 Income (loss) from U.S. partnerships (attach schedule). . . . .	7						
8 Income (loss) from foreign partnerships (attach schedule) . . . . .	8						
9 Income (loss) from other pass-through entities (attach schedule)	9						
10 Items relating to reportable transactions (attach details) . . . . .	10						
11 Interest income (attach federal Form 8916-A). . . . .	11						
12 Total accrual to cash adjustment. . . . .	12						
13 Hedging transactions . . . . .	13						
14 Mark-to-market income (loss) . . . . .	14						
15 Cost of goods sold (attach federal Form 8916-A) . . . . .	15						
16 Sale versus lease (for sellers and/or lessors) . . . . .	16						
17 Section 481(a) adjustments . . . . .	17						
18 Unearned/deferred revenue. . . . .	18						
19 Income recognition from long-term contracts . . . . .	19						
20 Original issue discount and other imputed interest. . . . .	20						
21 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities. . . . .	21a						
b Gross capital gains excluding amounts from pass-through entities, attach Schedule D (100S) . . . . .	21b						
c Gross capital losses excluding amounts from pass-through entities, abandonment losses, and worthless stock losses, attach Schedule D (100S). . . . .	21c						
d Net gain/loss excluding amounts from pass-through entities, abandon- ment losses, and worthless stock losses, attach Schedule D-1 . . . . .	21d						
e Abandonment losses . . . . .	21e						
f Worthless stock losses (attach details) . . . . .	21f						
g Other gain/loss on disposition of assets other than inventory. . . . .	21g						
22 Other income (loss) items with differences (attach schedule). . . . .	22						
23 Total income (loss) items. Combine lines 1 through 22 . . . . .	23						
24 Total expense/deduction items (from Part III, line 30). . . . .	24						
25 Other income (loss) and expense/deduction items with no differences. . . . .	25						
26 Total reconciliation. Combine lines 23 through 25 . . . . .	26						

**NOTE:** Line 26, column (a), must equal the amount on Part I, line 11, and column (f) must equal Form 100S, Schedule K, line 19, column (d).

**Part III Reconciliation of Net Income (Loss) per Income Statement of the Corporation with Total Income (Loss) per Return**

Expense/Deduction Items		(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Amounts from Federal Schedule M-3 (1120S) Column (d)	(e) California Adjustments	(f) Amounts using California Law
1 U.S. current income tax expense . . . . .	1						
2 U.S. deferred income tax expense . . . . .	2						
3 State and local current income tax expense . . . . .	3						
4 State and local deferred income tax expense . . . . .	4						
5 Foreign current income tax expense (other than foreign withholding taxes) . . . . .	5						
6 Foreign deferred income tax expense . . . . .	6						
7 Equity-based compensation . . . . .	7						
8 Meals and entertainment . . . . .	8						
9 Fines and penalties . . . . .	9						
10 Judgments, damages, awards, and similar costs . . . . .	10						
11 Pension and profit-sharing . . . . .	11						
12 Other post-retirement benefits . . . . .	12						
13 Deferred compensation . . . . .	13						
14 Charitable contribution of cash and tangible property . . . . .	14						
15 Charitable contribution of intangible property . . . . .	15						
16 Current year acquisition or reorganization investment banking fees . . . . .	16						
17 Current year acquisition or reorganization legal and accounting fees . . . . .	17						
18 Current year acquisition/reorganization other costs . . . . .	18						
19 Amortization/impairment of goodwill . . . . .	19						
20 Amortization of acquisition, reorganization, and start-up costs . .	20						
21 Other amortization or impairment write-offs . . . . .	21						
22 Section 198 environmental remediation costs . . . . .	22						
23a Depletion – Oil & Gas . . . . .	23a						
b Depletion – Other than Oil & Gas . . . . .	23b						
24 Depreciation . . . . .	24						
25 Bad debt expense . . . . .	25						
26 Interest expense (attach federal Form 9916-A) . . . . .	26						
27 Corporate owned life insurance premiums . . . . .	27						
28 Purchase versus lease (for purchasers and/or lessees) . . . . .	28						
29 Other expense/deduction items with differences (attach schedule) . . . . .	29						
30 <b>Total expense/deduction items.</b> Combine lines 1 through 29. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive . . . . .	30						